

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 H-01 L-03 SCS-03 EB-08 SCA-01 TRSE-00

CIAE-00 INR-07 NSAE-00 JUSE-00 USPS-01 SEC-01 /036 W

-----212252Z 002751 /70

P 211916Z JAN 77

FM AMEMBASSY NASSAU

TO SECSTATE WASHDC PRIORITY 9027

LIMITED OFFICIAL USE SECTION 1 OF 2 NASSAU 0093

E.O. 11652: N/A

TAGS: PFOR, BF, CGEN, EFIN

SUBJ: CONGRESSIONAL INQUIRY RE C.W. DEATON

REFS: A) NASSAU 1042 DATED 6/24/75 B) NASSAU 1515 9/16/75

C) STATE 008883 D) STATE 207395 E) NASSAU 1636

1. REFTEL A GIVES A FULL AND COMPLETE SUMMARY OF MR. C.W. DEATON'S ACTIVITIES IN THE BAHAMAS AND REFTEL B REPORTS HIS EXPULSION FROM THE BAHAMAS BY ORDER OF GCOB AUTHORITIES. AS POINTED OUT IN PARA 1 OF REFTEL A CONSULAR OFFICER, AFTER PERFORMING A NUMBER OF NOTARIAL SERVICES FOR DEATON, BECAME SUSPICIOUS OF HIM AND CONSULAR OFFICER'S RESULTING INQUIRIES CONCERNING DEATON'S BONAFIDES LED TO A CESSATION OF REQUESTS FOR SUCH SERVICES. THE ALLEGATION OF MR. AZAR THAT "THE AMERICAN EMBASSY IN NASSAU HAS BEEN COOPERATING WITH MR. DEATON BY NOTARIZING PHONY BONDS WHICH MR. DEATON WAS ISSUING TO ALL HIS VICTIMS," IS THUS TOTALLY UNFOUNDED, AND CONTRARY TO THE FACT. AS REFTEL A MAKES PATENTLY CLEAR THE ACTION OF THE CONSULAR OFFICER FOLLOWED BOTH THE LETTER AND THE SPIRIT OF 7 FAM 821.2-1 AND THE EMBASSY HOPES THAT THE DEPARTMENT WILL NOT ALLOW THIS CHARGE TO GO UNREBUTTED.

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WM A CONVERSATION WITH MR. AZAR'S NASSAU ATTORNEY MR. CECIL WALLACE-WHITFIELD ALSO REVEALS THAT MR. WHITFIELD'S FIRM APPEARS TO HAVE DONE AND IS DOING EVERYTHING POSSIBLE TO PURSUE ITS CLIENT'S INTERESTS. THE FIRM FILED ITS WRIT IN COURT ON DECEMBER 10, 1975 IN WHICH MR. AZAR WAS LISTED AS ONE OF EIGHT PLAINTIFFS WITH CASTLE BANK, INTERNATIONAL BARTER CO. AND

INTERNATIONAL SURETY AND CASUALTY CO. LISTED AS DEFENDANTS. THE SECOND DEFENDANT, HAVING FAILED TO APPEAR, WAS ADJUDGED TO PAY DAMAGES TO THE PLAINTIFFS ON JUNE 29, 1976. THE FIRST DEFENDANT FILED ITS DEFENSE ON SEPTEMBER 30, 1976, AND ACCORDING TO MR. EMERICK KNOWLES, MR. WHITFIELD'S ASSOCIATE WHO IS HANDLING THE CASE, THE FIRM HAS SOUGHT BY LETTER AND IS PRESENTLY ATTEMPTING TO GET MR. AZAR TO SUPPLY RESPONSES TO SPECIFIC QUESTIONS RAISED BY THE DEFENSE WHICH ARE CONSIDERED CRUCIAL TO THE CASE. THE LAST SUCH LETTER TO MR. AZAR WHICH WAS READ TO EMBASSY OFFICERS WAS DATED DECEMBER 14, 1976 AND A RESPONSE HAS NOT AS YET BEEN FORTHCOMING. AS DEPARTMENT IS AWARE, MR. WHITFIELD HAS NOT BEEN INACTIVE OVER THE PAST TWELVE MONTHS MAKING IT UNSURPRISING THAT HE WAS NOT AVAILABLE TO RESPOND TO MR. AZAR'S TELEPHONE CONVERSATIONS WHICH BOTH HE AND MR. KNOWLES STATED WERE OFTEN AFTER NORMAL OFFICE HOURS. (A COPY OF THE WRIT AS AMENDED, THE JUDGEMENT AGAINST THE SECOND DEFENDANT AND THE DEFENSE ARE BEING POUCHED TO ARA/CAR.) MR. WHITFIELD INDICATED CONFIDENTIALLY TO EMBASSY OFFICERS THAT WITH MR. AZAR'S COOPERATION IN SUPPLYING THE RELEVANT AND REQUESTED INFORMATION (AS OPPOSED TO EXTRANEIOUS NEWSPAPER ARTICLES ETC.), THERE APPEARS THAT THERE MAY BE A FAVORABLE OUTCOME FOR HIS CLIENT IN DUE COURSE. WHEN THIS WILL OCCUR DEPENDS NOT ONLY ON WHEN THE RESPONSES ARE RECEIVED FROM MR. AZAR BUT ALSO ON THE COURT CALENDAR WHICH MR. WHITFIELD POINTED OUT IS JUST AS CROWDED AS THOSE LIMITED OFFICIAL USE

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IN THE U.S. AND ELSEWHERE.

3. FRANK DAVIS, DIRECTOR OF BANKING SUPERVISION AT CENTRAL BANK WHO WE ASSUME IS UNNAMED OFFICIAL "IN CHARGE OF REGULATING THE BANKS IN THE BAHAMAS," GAVE EMBOFF FOLLOWING BACKGROUND INFORMATION ON DEATON AND CASTLE BANK. ACCORDING TO DAVIS, DEATON WAS INTRODUCED TO WOLSTENCROFT OF CASTLE BANK BY A FORMER PRESIDENT OF THAT BANK AND ON THIS INTRODUCTION AN ACCOUNT WAS OPENED FOR DEATON. WHEN CASTLE BECAME SUSPICIOUS OF DEATON THEY CLOSED HIS ACCOUNT, INFORMED THE CENTRAL BANK OF DEATON'S SUSPICIOUS ACTIVITIES AND WROTE A LETTER OF WARNING TO CANADIAN IMPERIAL BANK OF COMMERCE WHEN DEATON TRIED - UNSUCCESSFULLY - TO OPEN AN ACCOUNT THERE.

4. ACCORDING TO DAVIS, WHO VAGUELY RECALLS AZAR VISIT, (DAVIS, LIKE EMBASSY, HAD SEVERAL INQUIRIES CONCERNING DEATON AND IT IS NOT SURPRISING THAT HE WOULD NOT

REMEMBER THIS PARTICULAR VISIT IN DETAIL) THE REASON AZAR'S CHECK WAS NOT DEPOSITED INTO HIS ACCOUNT AT CASTLE IS BECAUSE AZAR NEVER OPENED AN ACCOUNT, I.E. NEVER FILLED OUT FORMS AND SIGNED AUTHORIZING SIGNATURE CARD. THIS OF COURSE WOULD ACCOUNT FOR DAVIS SUBSEQUENTLY TELLING AZAR TO WORK IT OUT WITH CASTLE.

5. ACCORDING TO DAVIS, NO ONE, INCLUDING AZAR EVER MADE A COMPLAINT TO POLICE CONCERNING DEATON SO THERE WAS NO REASON FOR A CRIMINAL COMPLAINT. CENTRAL BANK INFORMED BAHAMIAN IMMIGRATION AND CID THAT DEATON SHOULD BE DEPORTED. CID KEPT STAKE-OUT ON DEATON AND INFORMED US AUTHORITIES ON SEVERAL DIFFERENT OCCASIONS WHEN IT WAS BELIEVED THAT DEATON WAS GOING TO THE US.

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ACTION ARA-10

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6. HOPEFULLY THE ABOVE SUFFICIENTLY RESPONDS TO DEPT'S QUESTION IN PARA 2 REFTEL C AND CAN BE USED IN PREPARING RESPONSE. AS FOR EMBASSY'S RELATIONS WITH WOLSTENCROFT THE DEPARTMENT IS ALREADY AWARE THAT THEY ARE NONEXISTENT AND THAT FOLLOWING DEPT'S INSTRUCTIONS GIVEN US IN REF D WE APPROACHED MINEXTAFF ON EXTRADITION PROBLEM. TO DATE WE HAVE HAD NO RESPONSE TO OUR TEL (REF E) REPORTING CONVERSATION WITH ADDERLEY ON THIS SUBJECT.
OLSON

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Message Attributes

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